

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:5950

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Growth of Manufacturing Sector

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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the manufacturing sector has registered an average growth rate of 1.6% only during the last five years till 2015-2016, if so, the reasons therefor;
- (b) the steps taken to review the growth of capital goods sector and industrial development of backward and remote areas;
- (c) the reasons for negative foreign portfolio investment turning negative and its impact on Indian industries;
- (d) whether the Government is taking steps to deal with the non-tariff impediments being faced by Indian exporters, if so, the details thereof; and
- (e) the corrective steps taken by the Government in this regard with a particular focus on small and medium enterprises?

Answer

???????? ???? ???? ???? (?????) (?????) (?????)
THE MINISTER OF STATE (INDEPENDENT CHARGE)
OF THE MINISTRY OF COMMERCE & INDUSTRY
(SHRIMATI NIRMALA SITHARAMAN)

(a) & (b) As per the Index of Industrial Production (base year 2004-05), growth in manufacturing sector (year-wise) is given below:
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| Year | 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 | 2015-2016 |
|--------------------------|-----------|-----------|-----------|-----------|-----------|
| Manufacturing Sector (%) | 3.0 | 1.3 | -0.8 | 2.3 | 2.0 |

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The Government is regularly monitoring the growth of manufacturing sector and various initiatives have been taken to promote manufacturing sector. These inter-alia, include the following:

- i. Make in India initiative aims to make India a hub for manufacturing, design and innovation. It focuses on infrastructure, simplified processes, job creation, skill development and fostering innovation in select thrust sectors.
- ii. Startup India initiative aims to build a strong eco-system for nurturing innovation and Startups in the country to drive sustainable economic growth and generate large scale employment opportunities.
- iii. Significant changes have been made in the FDI policy regime to ensure that India remains attractive and an investor friendly destination. Government has put in place a comprehensive FDI policy regime, bringing more activities under automatic route, increasing sectoral caps, and easing conditionalities.
- iv. To ensure availability of state of art physical infrastructure for the industry, the Government is building industrial corridors along the dedicated freight corridors. In addition, focus is on strengthening existing infrastructure in roads, railways, ports and waterways across the country.
- v. A number of measures have been undertaken to ease business environment. Industrial licensing has been simplified and liberalized with a large number of components of Defence Products' list excluded from its purview. Various Central Government and State Government services are being integrated on a single window eBiz portal. The process of obtaining environment and forest clearances has been made online. 24x7 operations have been introduced at 17 Sea ports and 18 airports. A single window for import clearances called Single Window Interface for Facilitating Trade (SWIFT) has been set up. An Investor Facilitation Cell has been created under the National Investment Promotion and Facilitation Agency 'Invest India' to guide, assist and handhold investors during the entire life-cycle of business. The State Governments have also been brought on board to expand the coverage of these efforts.
- vi. The Ministry of MSME implements several schemes to promote output and employment among MSMEs. A Scheme for Promotion of Innovation, Rural Industries and Entrepreneurship is implemented to provide support to MSMEs. Capital subsidy is provided under the Credit Linked Capital Subsidy Scheme. Scope and coverage of the Credit Guarantee Trust Fund for MSEs Scheme has been expanded to improve access to credit. Support to self employment is provided under the Prime Minister's Employment Generation

Programme. The National Manufacturing Competitiveness Programme aims to promote efficient manufacturing, technology upgradation and quality certification for MSMEs.

vii. Measures are ongoing to channelize the efforts and provide impetus to the skill development ecosystem with a view to improve employability of workers/unemployed in India. The Skill India initiative and its various components such as 'Pradhan Mantri Kaushal Vikas Yojana (PMKVY)' and 'Skill Loan Scheme' synergize the existing efforts in Make in India by aligning skills to the industrial requirements. They also aim to tap India's comparative advantage in labour intensive sectors such as textiles and leather.

viii. Sectoral schemes like Integrated textile parks, for handloom, silk and jute sectors in the Ministry of Textiles; leather clusters, skill upgradation for people in leather and footwear sector; scheme for mega food parks etc aim to increase employment generation.

ix. Department of Industrial Policy & Promotion implements Special Package Scheme for industrial development of Jammu & Kashmir, Himachal Pradesh and Uttarakhand and North East Industrial and Investment Promotion Policy (NEIIPP), 2007 to further boost the industrialisation in the states of North Eastern Region and Transport Subsidy Scheme for industrially backward regions.

(c): The total Foreign Portfolio Investment (FPI)/ Foreign Institutional Investment (FII) during 2016-17 is Rs. 48,411/- crores .

(d) & (e): Government has been proactively involved in taking steps to deal with the non-tariff impediments faced by the Indian exporters which is monitoring the measures/actions being taken by the importing countries including the WTO member countries. In case Government of India considers such measure as inconsistent with the WTO agreement and impacting our trade interest, it takes up the matter in the appropriate forum including the bilateral and multilateral forum (WTO Committee). These non-tariff impediments may range from a number of measures including, technical regulations imposed by other countries, sanitary and phyto-sanitary measures, conditions of rules of origin, subsidies etc.
